

ID: CCA_2010011914503354

Number: **201007057**

Release Date: 2/19/2010

Office:

UILC: 6230.01-00

From:

Sent: Tuesday, January 19, 2010 2:50:35 PM

To:

Cc:

Subject: RE: TEFRA training

The Service would assess the losses disallowed at the partnership level, and then issue affected item notices for any additional losses disallowed under section 465 grounds. I.R.C. 6230(a)(1), (a)(2)(A)(i). See August 21, 2009 Chief Counsel Notice, CC-2009-027, question A3 at 3 ("Regarding section 465, the Service must make determinations at both the partnership level and at the partner level. See IRM 8.19.1.6.9.4(2)(d), *Issues With Both Partnership and Partner Level Elements*. Partnership-level items include the partners' shares of partnership liabilities and the character of the liabilities as recourse or nonrecourse. See Id. Partner-level items include any arrangements with third parties insulating the partner from loss, and whether a partner is a related party under section 465(b)(3). See Id.; Hambrose Leasing 1984-5 Ltd. P'ship v. Commissioner, 99 T.C. 298, 308-309 (1992) (whether partners protected against loss is a partner-level issue); Roberts v. Commissioner, 94 T.C. 853, 861-863 (1990) ("The existence and effect of the side agreements at issue are not items that a TEFRA partnership must account for under subtitle A in their books, records, or returns.").